

KANSAS PUBLIC WATER SUPPLY CAPACITY DEVELOPMENT PROGRAM

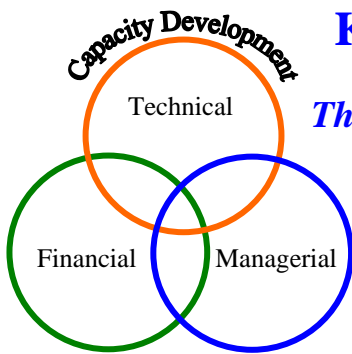
**Status Report
for
State Fiscal Year 2018**

September 28, 2018



Kansas Department of Health and Environment
Division of Environment
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Kansas Capacity Development Program Mission

The Kansas Capacity Development Program provides training, technical, assistance, and financial planning assistance to help public water supply systems achieve and maintain the technical, financial and managerial capabilities needed to protect the health of the citizens they serve.

INTRODUCTION

This report is provided as required by Section 1420 of the 1996 Amendments to the Safe Drinking Water Act (SDWA) and to comply with EPA drinking water revolving loan fund Capitalization Grant requirements. Information is provided on activities conducted to implement the Kansas Capacity Development Assurance Program during State Fiscal Year 2018, for the 2019 grant.

The Kansas Capacity Development Assurance Program consists of two components: 1) New System Capacity Assurance reviews and permitting; and 2) Implementation of the Capacity Development Strategy for Existing Public Water Supply Systems. This report is organized by these two components. A copy of the Kansas Capacity Development Strategy and Report of Findings is available on the KDHE webpage: <http://www.kdheks.gov/pws/capdev/capdev.html>. Strategy Amendments 1 and 2 are also located on the KDHE webpage.

NEW SYSTEM REVIEWS

During SFY 2018, no new system permit applications were submitted to the Kansas Department of Health and Environment (KDHE) for review and two new system permits were issued. One new system permit review continues for applications received in previous years. The status of the permit reviews is listed in Table 1.

Table 1 – New System Permit Review Status

Public Water Supply System	Status
Public Wholesale Water Supply District #25	Under Review
Doniphan CO RWD #6	Approved
Pioneer Hi-Bred Research Center	Approved

The New System Permit Application consists of two parts. Part 1 is the engineering and design component, which is reviewed and approved by the Engineering and Permits Unit. Upon approval of Part 1 and designated elements of Part 2, a letter of approval is issued authorizing construction of the public water supply system. Part 2 of the permit application is the technical, financial and managerial capacity assurance component. Before the system begins operation, the remaining elements in Part 2 of the application must be completed and approved. A final inspection must also be conducted and approval to initiate operations must be granted by KDHE. A permit for the completed project is issued upon a favorable final inspection report. There were no changes to KDHE's statutory authority or new system permitting process during SFY 2018.

The Capacity Assurance Strategy for new systems includes a review and evaluation component that the KDHE uses to determine if the review and permitting process is effective. The KDHE employs the EPA's Enforcement Response Policy (ERP) and Enforcement Tracking Tool (ETT) to analyze the success of the New System Capacity Assurance Program. According to the ERP, any system that scores 11 or more points using the ETT is considered to be in significant non-compliance. Any new system with 11 or more points, receives a special review to ascertain why the non-compliance is occurring. KDHE evaluates whether the system's non-compliance is because of any short-coming in the new system permitting process or whether the non-compliance is due to other reasons, such as not following a proposed budget or providing proper training for the system's certified operator. According to the ETT Tracking Tool, new systems permitted during the past 3 years did not have a score ≥ 11 . The new systems permitted during the time period 2016 through 2018 are listed in Table 2.

Table 2 – New Systems Permits 2016 through 2018 ETT Status

PWS System Name	Permitted	ETT \geq 11	Corrective Actions
Public Wholesale Water Supply District #26	SFY 16	No	N/A
Public Wholesale Water Supply District #27	SFY 17	No	N/A
Doniphan CO RWD #6	SFY 18	No	N/A
Pioneer Hi-Bred Research Center	SFY 18	No	N/A

CAPACITY DEVELOPMENT STRATEGY FOR EXISTING SYSTEMS

Strategy Background

The Kansas Capacity Development Workgroup developed fifteen recommendations for KDHE to consider in implementing the Kansas Capacity Development Strategy for Existing Systems. KDHE selected eight (Table 3) of these recommendations for the initial implementation of its strategy. These eight recommendations were considered to have the greatest potential to generate significant capacity gains in a relatively short time. The remaining seven (Table 4) were considered for implementation as time and resources allowed. All fifteen recommendations have been implemented or amended. The changes are documented in Amendment 1 of the Capacity Development Strategy for Existing Public Water Supply Systems.

Table 3 – Initial 8 Strategy Recommendations

Recommendation	Implementation Status
TFM Surveys for all community water systems	Implemented – Conducted every 3 years
Require water use reports from all systems	Implemented – Required annually By DWR
Develop a PWS business planning guidebook	Implemented – Part of KanCap
Develop PWS finance training program	Implemented – KanCap/EFC Financial Tools
Require all systems to install customer meters	Change – Strategy Amendment 1, Item 4
Expand KDHE “Survival Guides” for PWS systems	Implemented – See website: http://www.kdheks.gov/pws/survival.html Capacity Development Fact Sheets: http://www.kdheks.gov/pws/capdev.html
Develop Asset Management Planning Tool	Implemented – A. M. Kan Work!
Develop board/council member education program	Implemented – KanCap

Table 4 – Remaining 7 Strategy Recommendations

Recommendation	Implementation Status
Kansas Lawmakers information packets	Changed – Strategy Amendment 1, Item 2
“As Built” mapping assistance program	Changed – Strategy Amendment 1, Item 3
Encourage partnerships among PWS systems	Implemented – Planning Grant Program, PWS Coordinating Committee, participate in locally sponsored regional PWS planning activities
Develop drinking water public information program	Changed – Strategy Amendment 1, Item 5
Develop program to help select engineers/consultants	Implemented – Part of KanCap
Develop newsletter – KDHE spending, compliance, etc.	Changed – Strategy Amendment 1, Item 5
Third-party assessment of KDHE resource needs	Removed – Strategy Amendment 1, Item 6

In addition to state agency implementation activities, 3rd party technical assistance providers help public water supply systems address capacity challenges. KDHE sponsors technical assistance and training through contracts with the Kansas Rural Water Association (KRWA), Kansas Municipal Utilities (KMU), Ranson Financial Group, and Wichita State University Environmental Finance Center (EFC).

Other technical assistance providers, including the Midwest Assistance Program (MAP), League of Kansas Municipalities (LKM), and Kansas Section American Water Works Association (KsAWWA) provide a variety of assistance to public water suppliers as part of their ongoing activities. These organizations are not under contract with KDHE. Their funding is provided from a variety of sources including EPA, USDA Rural Development, and membership fees. Their activities support the goals of the Kansas Capacity Development strategies for new and existing systems. All of the organizations mentioned above participated in development of the Kansas strategies and continue to provide input on KDHE implementation activities. Their activities are important to the overall success of the Capacity Development Program.

MAP provides planning assistance to water systems seeking funding from the USDA Rural Development programs for water and wastewater systems and also technical assistance to systems identified by KDHE and EPA. Funding for this assistance is provided by EPA. KsAWWA provides training to water system operators through its Operator Training Committee (OTC) and in partnership with KMU. KsAWWA also works with KDHE's Operator Certification Program to coordinate training activities. LKM provides training for city council/commission members, city managers/administrators and city clerks through the Municipal Leadership Academy. During SFY 2015 KanCap training was added to the list of elective courses available through the Municipal Leadership Academy. KDHE considers this an important addition to the Capacity Development Program. LKM also provides legal advice and model ordinances for cities in Kansas.

State Fiscal Year 2018 Programs and Implementation Activities

Overview

During SFY 2019, KMU and KRWA will begin the first of their new five-year training and technical assistance contracts. KMU's contract includes Operator In Training (OIT) technical assistance, Operator Training, Governing Body Education, and Planning and Permitting Assistance. KRWA's contract focuses on Operator Training. KRWA will also begin the first year of their new two-year contract for the 2% technical assistance for Small Systems. The Ranson Financial Group was awarded a five-year contract extension for rate setting and financial planning assistance. WSU-EFC will also begin the first year of a five-year contract for training, facilitation services, and asset management technical assistance. Most of the Capacity Development Strategy recommendations are implemented through these contracts. The KDHE funds Capacity Development Program grants and contracts from the SDWA Section 1452(k)(1) set-aside. Details for specific contract activities are discussed later in this report.

In addition to activities directly related to implementation of the recommendations in the State Capacity Development Strategy, the Capacity Development Program provides a variety of assistance to public water supply systems. This assistance includes presentations at workshops and conferences, attendance at board/council meetings, and telephone and email correspondence. KDHE tracks the number of systems that receive this assistance. This tracking information is sent to EPA's National Information Management System (NIMS). In SFY 2018, the Capacity Development Program reported to NIMS 305 public water supply system assistance contacts.

The Capacity Development Program also coordinates with other programs including the Source Water Protection and Operator Certification programs. The Capacity Development Program is also a member of the PWS Section Enforcement Team. The Enforcement Team meets quarterly to review the ETT list. The Capacity Development Program makes recommendations on actions related to the TFM capacity of the water systems on the ETT list.

Planning Assistance

Planning Grants

The Capacity Development Program provides assistance for regional public water supply planning and for small water system planning to comply with drinking water regulations. The Regional PWS Planning Grant Program provides 50% matching funds for preliminary engineering studies that evaluate regional solutions to address public water supply system needs and challenges. The Small PWS System Planning Grant Pilot Project, initiated in SFY 2013, provides 50% matching funds for systems serving a population of 3,300 or less to address compliance issues. The small systems also must have an Enforcement Tracking Tool (ETT) score greater than 10. Beginning in SFY 2016 the Capacity Development Program initiated an additional Small PWS System Planning Grant opportunity that provides 50% matching funds for systems serving a population of 3,300 or less to perform corrosion control studies. To date, no systems have utilized this planning grant.

KDHE uses SRF fees to provide funding for both programs. The Regional PWS Planning Grant provides up to \$12,500.00 to match funding provided by the local project sponsors. There were two new Regional PWS Planning Grant Applications awarded during SFY 2018. The Small PWS System Planning Grant provides up to \$5,000.00 to match funding provided by the qualifying small system. One Small PWS System grant was awarded during SFY 2018. Tables 4 and 5 list the status of grant agreements during SFY 2018.

Table 4 – Regional PWS Planning Grant Projects

Project Sponsors	Systems Benefiting	Status	SFY
City of Beloit	Beloit, Mitchell Co. RWD #2, Mitchell Co. RWD #3	Grant awarded May 2018. Study is still in development.	2018
City of Linn Valley	City of Linn Valley, Linn CO RWD #1, PWWSO #13, City of LaCygne	Grant awarded November 2017. Study is still in development.	2018

Table 5 – Small PWS Systems Pilot Project

Small System Name	Status	SFY
City of Brewster	Grant agreement was amended to extend the grant period and increase grant amount. Study is still in development.	2017-2018

Drinking Water Protection Program

During SFY 2016 the Capacity Development Program worked with the Watershed Management Section to develop guidance for the Drinking Water Protection Program (DWPP). The DWPP was added to the Strategy during SFY 2014 and can be found in Amendment 2 which is posted on the KDHE Capacity Development webpage. Initially, the DWPP will focus efforts on small groundwater systems with nitrate contamination. Several small systems were identified as candidates for pilot projects. A technical team has been developed.

Financial Assistance

Financial Planning Assistance

In SFY 2018, Ranson Financial Consultants LLC provided financial planning and rate-setting assistance. Ranson provided rate-setting assistance using the Kansas Rate Checkup software for 8 public water supply systems. In addition to the initial rate review, Ranson provides 1 year of technical assistance at no charge to the systems. Water systems will be able to use Rate Checkup to help review budgets, rates and financial planning procedures. The software generates reports that will help the systems achieve and maintain financial capacity, including an analysis that illustrates the rates required to maintain long-term financial health to help keep the system in compliance.

The contracts with Ranson and the WSU-EFC include revision and maintenance of the Kansas Rate Check-up tool. The final version of Rate Check-up tool was released in SFY 2016.

Training Activities

KanCap Board/Council Education Program

KMU in partnership with the WSU-EFC and Ranson scheduled 2 KanCap workshops in two KDHE districts: Northeast and Southwest. The workshops were cancelled due to low registration. The current edition of the KanCap manual and an interactive CD was completed in SFY 2016. The KanCap Manual will be used during training activities and will certainly benefit the educational process for board and council members.

In SFY 2019, KDHE plans to conduct a stakeholder meeting to develop a plan to increase water system participation in KanCAP.

A.M. Kan Work!

The WSU-EFC in partnership with KMU conducted 6 A.M. Kan Work training sessions, one in each KDHE district. A total of 75 participants attended representing 53 systems. The KDHE awards 5 hours of renewal credit for water and wastewater operators that complete the one-day workshop. KMU also provided 7 on-site technical assistance visits for asset management implementation.

Rate-setting and Financial Planning Workshops

Six rate-setting and financial planning workshops were conducted through a cooperative effort among KMU, WSU-EFC and Ranson. One workshop was held in each of the KDHE districts. A total of 57 participants attended representing 44 systems. The primary audience for these sessions includes city clerks, managers and administrators. Operators are welcome to attend; however, no operator credit is awarded.

Small Water System Operator Training

The Capacity Development Program in cooperation with the KDHE Operator Certification Program sponsored Small Water System Operator training through a contract with KMU. The workshops focused on Water Quality discussing in detail the Safe Drinking Water Act's Standards, Regulations and Goals as well as basic water quality and chemistry. The focus of the KMU training was to provide

information relevant to operators working at Class 2 or smaller water systems. A total of 79 operators participated in the workshops representing 57 water systems.

Area Wide Optimization Program (AWOP)

AWOP is a voluntary program whose primary goal is to maximize public health protection without major capital expenditure, through optimization of existing water treatment and distribution facilities. Optimization of the water system is achieved through enhanced process monitoring and control using existing staff and facilities. Presently Kansas's AWOP focuses on the optimization of conventional surface water treatment plant performance, measured relative to optimization goals.

In 2018 KDHE's AWOP program completed two training Comprehensive Performance Evaluations (CPE), facilitated by Process Applications Inc. (PAI). Both CPEs were conducted with the Iowa's Department of Natural Resources. The first CPE was conducted January 8-12, 2018 in Sioux City, Iowa and the second was conducted April 9-13, 2018 in Iowa City, Iowa. In addition, the KDHE's AWOP core team participates in both remote and onsite quarterly regional meetings, while district staff AWOP team members participate remotely. The AWOP core team traveled to New Orleans, Louisiana October 24-26, 2017 to participate in the regional quarterly meeting. KDHE's AWOP team hosted the regional quarterly AWOP meeting in Lawrence, Kansas May 22-24, 2018. During SFY 2018 the team also presented findings from the CPEs performed in SFY 2017: Public Wholesale WSD #4 on July 25, 2017 and the city of Winfield on November 1, 2017.

Other Related Activities

The KDHE recognizes that other state agencies and non-governmental organizations play an important role in helping water systems achieve and maintain TFM capacity. Two organizations that KDHE frequently partner with are the Kansas Water Office (KWO) and KRWA. The KDHE and KWO routinely collaborate on regional public water supply issues and the provision of technical assistance to public water supply systems.

During SFY 2018, the KRWA provided technical assistance to 245 small public water supply systems under the 2% Small System Technical Assistance Set Aside contract. Assistance provided under this contract addressed many technical issues including surface water treatment, well testing, new operator training, nitrate compliance and record keeping.

SRF Loan Application Reviews

KDHE conducted reviews using elements from the Capacity Development Survey to ensure that all loan recipients demonstrate TFM capacity.

Strategy Review and Modification

KDHE recognizes that periodic review and modification of the Strategy for Existing Systems is vital in keeping KDHE's Capacity Development Program current and relevant to the needs of Kansas public water supply systems. During SFY 2018, KDHE routinely communicated with the Capacity Development Workgroup members on an individual basis regarding specific activities related to Strategy implementation. There were no changes to the Capacity Development Strategy during 2018.

Future Activities

The implementation activities scheduled for FY 2019 will focus on 5 primary areas: 1) Continue AWOP implementation through KDHE staff training under the EPA/PAI contract, including CPEs and Performance Based Training; 2) Conduct DWPP pilot project; 3) Operator training will cover 6 different areas: emergency planning (boil water advisories and emergency water supply plans); Revised Total Coliform Rule (Level 1 Assessments, Public Water Supply Data Collector, repeat samples after total coliform positive, sample site plans, and sample collection); Stage 2- managing DBP; Lead and Copper Rule (materials evaluations, sample site plans, and certificate of deliveries); Surface Water Treatment Rule (CT calculations and filter effluent); and exam preparation for all water operator classes; 4) Increase enrollment in the KanCAP training program; and 5) Implement a new Capacity Development Awards program.

Other ongoing activities include TFM reviews related to enforcement actions and SRF applications, new system application review and approval, training and technical assistance activities, and coordination on public water supply issues and projects with the Public Water Supply Coordinating Committee. KDHE will also continue to award planning grants as applications are received and approved.